crisis of this kind it is not always possible to look too closely into questions of equity in raising money. It is necessary, however, to look very closely into the probable economic effects of any suggested form of taxation, and, if we find that it is likely to diminish the future wealth production of the nation, to reject it, however attractive it may seem to be at first sight. A levy on capital which would certainly check the incentive to save, by the fear that, if such a thing were once successfully put through, it might very likely be repeated, would dry up the springs of that supply of capital which is absolutely essential to the increase of the nation's productive power.

Moreover, business men who suddenly found themselves shorn of 10 to 20 per cent. of their available capital would find their ability to enter into fresh enterprise seriously diminished just at the very time when it is essential that all the organisers of production and commerce in this country should be most actively engaged in every possible form of enterprise, in order to make good the ravages of war.